

Talking Points MS Housing and Community Development 6th Annual Conference

*June 6, 2007, at noon
MS Telecommunications Conference Center*

**You will be introduced by Leland Speed and will then give keynote address*

-Appreciate the opportunity to address this conference, which focuses on two of the most pressing issues in a post-Katrina Mississippi

-Community and economic development has always been an important priority in my administration, but following Hurricane Katrina, the significance of these issues is incalculable due to the sheer number of communities/businesses working to rebuild

-Directly tied to community development is housing which, as I've said time and again, remains the most crucial issue on the coast after Katrina.

-But in the 1.5 years since the worst natural disaster in American history, Mississippi has made great strides in both of these areas:

HOUSING UPDATE:

(According to MDA website with numbers updated 5/16/07)

-\$921M distributed to nearly 13,000 families in Homeowner's Assistance Program.

-94% of the qualified applications received under Phase I of homeowners grants program have been notified to close; 96% have closed

- Commissioner of Insurance reports that Statewide Katrina Claims total \$11.9 billion (Hancock, Harrison and Jackson Counties claims totaled \$8.6 billion)

-SBA has reported loans to 31,100 Mississippi Homeowners and renters totaling in excess of \$2 Billion.

-We have completed the damage assessments and allocated money accordingly among the five Public Housing Authorities. Environmental Reviews have been completed for the Long Beach Housing Authority and a draft application was received last week. Environmental reviews for twenty two more Public Housing Authority sites are near completion.

-A pilot for financial counseling and grant closing has begun for Phase II applicants, who have applied or rolled over from Phase I. Phase II targets low, moderate and workforce income homeowners who had a loss, regardless of their flood zone or insurance status. Must have household income at or below 120% of Area Median Income.

-We are very near completion of our Small Rental program which intends to quickly bring rental stock back to the market with a temporary income restriction that will be advantageous to working families. 51% of the rents will be limited to 80 Area Median Income for 5 years, with the balance limited to 120% AMI for 5 years. We believe this program will have a stabilizing effect on the housing market over the next few years.

-We are also finishing a plan that will be funded with \$150 Million of CDBG that is designed to bring the best and most innovative development types to market to serve a range of incomes resulting in some of the best community development Mississippi has seen. We intend to see this money leveraged with private, non-profit and possibly foundation dollars to result in more than just \$150 million of development. We are working hard to be sure that working families have a

safe and secure place to live close to work, and where children can go to school.

In terms of community development, our administration has worked tirelessly to secure funding for community projects:

COMMUNITY DEVELOPMENT UPDATE:

- \$97.2M in fed. grants to help with post-Katrina revitalization projects in 15 coastal communities awarded; \$150M for community revitalization projects and \$10M for planning still available

- \$19M in federal grants to improve two Harrison County schools

- \$30M in CDBG funds for Windstorm Underwriting Association ("Wind Pool"), which allows the state's insurer of last resort to slash commercial rates from 268% to 142% resulting in millions of dollars in savings for policyholders

- More than \$558M has been awarded in business loans/working capital by Small Business Administration

- In all, the state has allocated \$500M for economic development after Katrina; \$340M in federal grants remains available for economic development projects.

- Additionally, the provisions of the Gulf Opportunity Zone Act of 2005 offers unprecedented economic and tax benefits to ensure long-term revitalization of our coastal economic base

Overall, coastal recovery continues to be seen through the resiliency of our people and in turn our economy:

- 6 coastal counties at 98% of pre-Katrina population
- Tourism (gaming) on coast at or above pre-Katrina levels

-This past year we have worked hard to get major manufacturers to locate in Mississippi. We are proud of the economic development work that we have been able to do across the state. We recognize that economic development is intrinsically related to community development and housing and we are taking a holistic approach to making Mississippi the best place to work, live and play.

I'm proud of what we've accomplished and am confident that we are on the right path to building a Gulf Coast bigger and better than ever.